

Important Notice to Participants Applying for Ventura County Section 457 Plan Emergency Withdrawal

This Ventura County Section 457 Plan Application for Emergency Withdrawal requests a lot of information from you regarding your need for emergency withdrawal and your situation. Deferred Compensation Program staff may also request additional information or clarification from you after you submit your Application. While you may feel that this process is onerous or invasive, detailed disclosure of your personal and financial information is required in order to protect the Plan and participants.

The Internal Revenue Service follows very stringent rules for this type of withdrawal and will examine it very closely if the Plan (or your tax return) is audited, which could occur in the future. If the IRS is not satisfied that you have adequately documented an emergency withdrawal, or that the reason given in support of the request was not within acceptable standards, you could be held in constructive receipt of not only the amount withdrawn, but any sums remaining in the Plan for your future benefit. You could be required to pay additional taxes on such funds, even though you have had no other control or custody of the funds.

More importantly, however, the IRS could determine that the Deferred Compensation Program was not requiring adequate documentation of financial need and was therefore granting unwarranted withdrawals. In that event, the IRS could declare the entire Plan in violation of tax laws and regulations. If this occurred, they could require taxes to be paid on all sums deferred by all participants, even those who have never made a withdrawal request.

It is because of our concern that either or both of these undesirable consequences could occur that we have chosen to handle emergency withdrawal requests in this manner. Again, you may feel it is unduly onerous and invasive, but the consequences of a less definitive and careful approach are so dire as to be unacceptable. You may be assured that your request will receive a careful and fair evaluation, and that your sensitive information will be treated with the highest confidentiality.

It's also important you understand that, as part of your Application, you will need to declare the following under penalty of perjury under the laws of the State of California:

- You have incurred a financial hardship due to the reason(s) stated and the withdrawal amount designated is necessary to meet your financial need created by the hardship to the extent that no other funds are reasonably available through insurance or reasonable liquidation of your assets or those of your spouse or minor child(ren) to meet this financial need.
- The amount of your financial hardship cannot be satisfied by any other distributions and nontaxable loans currently available under all plans maintained by the County of Ventura or another employer, by borrowing from commercial sources on a reasonable commercial basis, or through other financial resources such as an annual leave/vacation buydown.
- If the amount of your financial need exceeds the amount available in your 457 Plan account, you have additional resources available to meet the entire financial need.

Please refer to page 7 of this Application for other important information.

To apply for an Emergency Withdrawal from the Section 457 Plan, complete the attached Ventura County Section 457 Plan Application for Emergency Withdrawal and submit it to the Deferred Compensation Program along with documentation to support your request. Deferred Compensation Program staff will review the Application and may ask you for additional information and documentation. Staff will make a determination of whether or not to approve your Application in accordance with Plan provisions and IRS rules and regulations regarding hardship withdrawals.

If your application is approved, we will: 1) notify you of our decision, 2) request the withdrawal of funds from Fidelity Investments, and 3) cancel any contributions you're making to the Section 457 Plan. You may not begin making contributions again for at least six months after the date this request is approved. If your application is denied, we will notify you of our decision. You will have the right to appeal the denial to the Deferred Compensation Committee.

Internal Revenue Code Emergency Withdrawals

(c) *Rules applicable to distributions for unforeseeable emergencies*—(1) *In general.* An eligible plan may permit a distribution to a participant or beneficiary faced with an unforeseeable emergency. The distribution must satisfy the requirements of paragraph (c)(2) of this section.

(2) *Requirements*—(i) *Unforeseeable emergency defined.* An unforeseeable emergency must be defined in the plan as a severe financial hardship of the participant or beneficiary resulting from an illness or accident of the participant or beneficiary, the participant's or beneficiary's spouse, or the participant's or beneficiary's dependent (as defined in section 152(a)); loss of the participant's or beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant or the beneficiary. For example, the imminent foreclosure of or eviction from the participant's or beneficiary's primary residence may constitute an unforeseeable emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. Finally, the need to pay for the funeral expenses of a spouse or a dependent (as defined in section 152(a)) may also constitute an unforeseeable emergency. Except as otherwise specifically provided in this paragraph (c)(2)(i), the purchase of a home and the payment of college tuition are not unforeseeable emergencies under this paragraph (c)(2)(i).

(ii) *Unforeseeable emergency distribution standard.* Whether a participant or beneficiary is faced with an unforeseeable emergency permitting a distribution under this paragraph (c) is to be determined based on the relevant facts and circumstances of each case, but, in any case, a distribution on account of unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or by cessation of deferrals under the plan.

(iii) *Distribution necessary to satisfy emergency need.* Distributions because of an unforeseeable emergency must be limited to the amount reasonably necessary to satisfy the emergency need (which may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution).

**VENTURA COUNTY SECTION 457 PLAN
APPLICATION FOR EMERGENCY WITHDRAWAL**

Complete this application and return it to the Deferred Compensation Program, Human Resources Division, 800 South Victoria Avenue #1970, Ventura, CA 93009-1970. Your completed application consists of pages 1 through 8 of the Application for Emergency Withdrawal, copies of all supporting documentation, and copies of your (and your spouse's) 3 most recent paychecks. Be sure to sign the Application on page 7.

General Information

1. Full name _____ Date of Birth _____
2. Complete address _____
Work phone (____) _____
Home phone (____) _____
Other phone (____) _____
3. Social Security number _____ Employee ID number: _____
4. E-mail address _____
5. Marital status: Single Married Divorced/Widowed Other
6. Number of dependents (excluding self/including spouse): _____

Employment Information

- | | Your Employment | Spouse's Employment |
|-----------------------|-----------------|---------------------|
| 7. Employer/Dept. | _____ | _____ |
| 8. Address | _____
_____ | _____
_____ |
| 9. Phone number | _____ | _____ |
| 10. Occupation | _____ | _____ |
| 11. Supervisor's name | _____ | _____ |
| 12. Employed since | _____ | _____ |
| 13. Current status | _____ | _____ |

Unforeseeable Financial Emergency Information

1. Check the reason for your withdrawal.

Severe financial hardship resulting from illness or accident

Loss of property due to casualty

Severe financial hardship resulting from events beyond your control.

Other

2. Describe the need that is precipitating this emergency request. Provide as much detail as possible, and include any extenuating circumstances, and circumstances that led to this need. *Be sure to completely describe how the events that led to this financial emergency are unforeseeable and out of your control.* Complete information will help Deferred Compensation Program staff evaluate your application as quickly as possible. Include all documentation to support your request. This includes documenting the amount of your request.

3. How much do you wish to withdraw to satisfy the need described above? \$_____

4. Have you exhausted *all* other available financial sources (savings accounts, vacation buydowns, loans - including 401(k) loans, liquidating assets, etc.)? _____

5. Have you applied to your credit union or bank for a loan meet your financial hardship? _____

If you have not, state the reason: _____

If the loan was denied, what was the reason given?: _____

Income

IMPORTANT: Be sure to convert your County of Ventura salary into a monthly amount. To do this, multiply your net biweekly pay by 26 pay periods, and then divide by 12.

Additionally, if any other payments are paid to you on a biweekly (or other non-monthly) basis, convert those to a monthly amount as well.

	Your Income	Spouse's Income
1. Net pay	\$ _____	\$ _____
2. Pension income	\$ _____	\$ _____
3. Unemployment/disability	\$ _____	\$ _____
4. Social Security income	\$ _____	\$ _____
5. Public assistance/Welfare	\$ _____	\$ _____
6. Food stamps/WIC	\$ _____	\$ _____
7. Child/spousal support	\$ _____	\$ _____
8. Veteran's benefits	\$ _____	\$ _____
9. Workers' Compensation	\$ _____	\$ _____
10. Rental income	\$ _____	\$ _____
11. Dividends/interest income	\$ _____	\$ _____
12. Other sources (specify):		
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
Total Income	\$ _____	\$ _____

Expenses

- 1. Rent/mortgage (include all mortgage payments) \$ _____
 - 2. Real estate/property taxes \$ _____
 - 3. Homeowners/personal property insurance \$ _____
 - 4. Food – at home and eating out (for _____ persons) \$ _____
 - 5. Utilities \$ _____
 - 6. Transportation (gas/oil/repairs) \$ _____
 - 7. Automobile insurance \$ _____
 - 8. Clothing (for _____ persons) \$ _____
 - 9. Medical/dental payments \$ _____
(not including amounts contributed a health care flexible spending account)
 - 10. Dependent care \$ _____
(not including amounts contributed to a dependent care flexible spending account)
 - 11. Child/spousal support payments \$ _____
 - 12. Laundry/dry cleaning \$ _____
 - 13. Installment payments (provide detail on page 6) \$ _____
 - 14. Automobile payments (provide detail on page 6) \$ _____
 - 15. Credit card payments (provide detail on page 6) \$ _____
 - 16. Other (specify) _____ \$ _____
_____ \$ _____
_____ \$ _____
- Total Expenses** \$ _____

Total Available Monthly Income

- Total Income** (from page 3) \$ _____
- Minus Total Expenses** (from above) \$ _____
- Total Available Monthly Income** \$ _____

Liabilities

	Monthly Payment	Current Balance
1. Due on real estate		
Lender _____	\$ _____	\$ _____
Lender _____	\$ _____	\$ _____
2. Due on vehicle(s):		
Lender _____	\$ _____	\$ _____
Lender _____	\$ _____	\$ _____
3. Other creditors - include information for all payments listed in items 13, 14, and 15 on page 4. Additionally, include information for all payments made through payroll deduction. Attach additional information as necessary.		
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
Total Liabilities		\$ _____

Acknowledgement and Authorization

I declare the following under penalty of perjury under the laws of the State of California: I have incurred a financial hardship due to the reason(s) stated herein and the withdrawal amount designated is necessary to meet my financial need created by the hardship to the extent that no other funds are reasonably available through insurance or reasonable liquidation of my assets or those of my spouse or minor child(ren) to meet this financial need. The amount of my financial hardship cannot be satisfied by any other distributions and nontaxable loans currently available under all plans maintained by the County of Ventura or any other employer, by borrowing from commercial sources on a reasonable commercial basis, by stopping my contributions to the Plan, or through other financial resources such as an annual leave/vacation buydown. If the amount of my financial need exceeds the amount available in my Section 457 Plan account, I have additional resources available to meet the entire financial need.

I further declare under penalty of perjury under the laws of the State of California that all information contained in this Application is true and correct and that all information I supplied for purposes of processing my Emergency Withdrawal Application is true and correct and further that this is a full and true statement of my financial status to the best of my knowledge.

I understand that my contributions to the 457 Plan will be cancelled and I may not begin making contributions again to the Plan for at least six months after the date this request is approved. I further understand that the withdrawal amount requested cannot exceed the amount required to meet the financial need.

I hereby authorize Deferred Compensation Program staff to contact my employer, bank, or any other creditor listed on this Application for Emergency Withdrawal regarding any of the information presented. By affixing my signature below, I authorize my employer, bank, or any other creditor listed on this Application to release any requested information to Deferred Compensation Program staff.

I authorize Deferred Compensation Program staff to execute the withdrawal if approved by the Deferred Compensation Committee and I further authorize Fidelity Investments to withhold taxes as indicated. I understand that valuation of my account will be based on the last valuation date plus any contributions made after that date. I also understand that the amount withdrawn will be taken from investment options in which I am invested on a prorated basis, unless I direct otherwise.

I understand that this distribution is subject to federal and state income taxes. I understand that my actual federal or state income tax liability may exceed the amount withheld from the distribution to me, and that I may be subject to tax penalties under the estimated tax payment rules if my estimated tax payments and withholding are inadequate.

For any amounts distributed to me, I elect to have _____% federal income taxes withheld. (The amount of your state withholding will be 10% of your federal withholding.) Note: if you do not elect a federal withholding amount, it will delay processing of your Application.

Applicant's Signature

Date

Spouse's Signature (Required if married)

Date

Checklist

The Deferred Compensation Program staff needs to know the nature and extent of your financial hardship in order to evaluate your need adequately. More importantly, the Internal Revenue Service may require us to justify approval of Applications long after a withdrawal is granted. The information requested in this Application is intended to serve both these needs and must be complete. There is no intent to burden you and we would not require the information unless absolutely necessary. This Application, and your information, will be treated with the utmost confidentiality.

Please check the documentation you have submitted to support your claim of severe financial hardship and return this checklist as part of your Application.

Your 3 most recent pay stubs (required).

Your spouse's 3 most recent pay stubs (required if married, even if you're separated).

Copy of bill, invoice, or estimate for repairs from a contractor, along with a written description of the casualty and related damage.

Copy of an insurance carrier's statement indicating the portion of the property damage not covered by insurance.

Copy of police or fire report.

Copy of unpaid funeral bills.

Copy of doctor's statement with your medical condition and expected return to work date.

Copy of Workers' Compensation, SDI, or other pay stubs.

Copy of last statement from each creditor if you are requesting a withdrawal to cover unpaid balances.

Copy of last eviction or foreclosure notice including documentation of amount needed to prevent eviction or foreclosure.

Letter from your spouse's employer verifying the amount of lost wages incurred.

Loan denial letter from your bank or credit union.

For office use only

Applicant name: _____

Current balance: \$ _____ Eligible for 401(k) loan: Yes No

Recommend approval in the amount of: \$ _____

Comments: _____

Denied Reason for denial: _____

Approved/denied by: _____ Date: _____

Reviewed by DC staff: _____ Date: _____

Reviewed by County Counsel: _____ Date: _____